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FIRST GENERAL COUNSEL'S REPORT

CELA

MUR 6463

DATE COMPLAINT FILED: 3/22/2011

LAST SUPPLEMENT FILED: 7/25/2011

DATE OF LAST NOTIFICATION: 7/29/2011

LAST RESPONSE RECEIVED: 9/16/2011

DATE ACTIVATED: 10/03/2011

EXPIRATION OF SOL: 7/01/2013 to 3/03/2015

COMPLAINANTS:

Iraj J. Zand

Raymond Schayek

RESPONDENTS:

John "Jack" Joseph Antaramian

Mona Antaramian

David Antaramian

Yasmeen Wilson

Antaramian Development Corporation of Naples

Antaramian Family Trust

Pettit Square Partners, LLC

Democratic National Committee and

Andrew Tobias, in his official capacity as treasurer

Organizing for America, Florida (a project of the

Democratic National Committee)

Obama Victory Fund and Andrew Tobias, in his

official capacity as treasurer

**RELEVANT STATUTES
AND REGULATIONS:**

2 U.S.C. § 441a

2 U.S.C. § 441b

2 U.S.C. § 441e

2 U.S.C. § 441f

11 C.F.R. § 102.17

11 C.F.R. § 104.3

11 C.F.R. § 104.13

11 C.F.R. § 110.4(b)

11 C.F.R. § 110.20

INTERNAL REPORTS CHECKED:

Disclosure Reports; Contribution Indices

FEDERAL AGENCIES CHECKED:

None

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I. INTRODUCTION

The complainants allege, in their initial complaint and in two supplemental submissions, that John "Jack" Joseph Antaramian, members of his family, and the corporation he controls, the Antaramian Development Corporation of Naples ("ADCN"), engaged in unlawful activities in violation of various provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The complaint and supplements include allegations of unlawful foreign national contributions, corporate contributions, contributions in the name of another, excessive contributions, and unreported in-kind contributions. The main beneficiary of these alleged contributions was the Democratic National Committee ("DNC"). The respondents deny making foreign national contributions or contributions in the name of another, but acknowledge inadvertent violations resulting from payments made by Antaramian or ADCN for office space, office services, and a fundraising event, which should have been paid for, reimbursed by, and/or reported by the DNC.

As discussed below, based on the available information, we recommend as follows:

1. That the Commission find reason to believe that ADCN and Jack Antaramian, as an officer of ADCN, violated 2 U.S.C. § 441b(a) by respectively making and consenting to a prohibited in-kind contribution to the DNC in the form of office space, and related office services, used by the DNC in 2009 and 2010.
2. That the Commission find reason to believe that Jack Antaramian, in his individual capacity, violated 2 U.S.C. § 441a(a)(1)(B) in 2009 by making an excessive in-kind contribution to the DNC by paying moving and electrical expenses associated with this office space.

- 1 3. That the Commission find reason to believe that the DNC violated 2 U.S.C. § 441b(a)
2 by accepting corporate contributions, 2 U.S.C. § 441a(f) by accepting excessive in-
3 kind contributions, and 2 U.S.C. § 434(b) by not reporting the contributions.
- 4 4. That the Commission find no reason to believe that Pettit Square Partners, LLC
5 ("Pettit Square"), the owner of the office space at issue, violated the Act.
- 6 5. Regarding allegations of in-kind contributions made by Jack Antaramian in
7 connection with an October 2008 fundraising event organized by the Obama Victory
8 Fund ("OVF") that benefited the DNC, that the Commission find reason to believe
9 that Jack Antaramian violated 2 U.S.C. § 441a(a)(1)(B) by making an excessive in-
10 kind contribution to the DNC and 2 U.S.C. § 441a(a)(3)(B) by exceeding his 2007-08
11 biennial limit, that the DNC violated 2 U.S.C. § 441a(f) by knowingly accepting the
12 in-kind contribution, and that the OVF and the DNC violated 2 U.S.C. § 434(b) by
13 not reporting the in-kind contribution.
- 14 6. That the Commission find no reason to believe that Mona Antaramian, Jack
15 Antaramian's spouse, violated 2 U.S.C. § 441a(a)(3) by exceeding her biennial
16 contribution limit for the 2008 election cycle, that Jack Antaramian violated the Act
17 with regard to allegations that he used funds from foreign or other sources to make
18 federal contributions, and that Jack Antaramian, and other relatives, violated 2 U.S.C.
19 § 441f by making contributions in the name of others or allowing their names to be
20 used to effect such contributions.
- 21 7. That the Commission enter into pre-probable cause conciliation with Jack
22 Antaramian, ADCN, the DNC and the OVF.
- 23

II. FACTUAL AND LEGAL ANALYSIS

The complaint sets forth a number of allegations, some unrelated, against Jack Antaramian, members of his family, and entities associated with him. The potentially most serious of these allegations – large foreign national contributions and contributions made in the names of others – are vague, speculative, and unsupported by any facts before us. See Sections II.D and II.E. Similarly, the allegation that Mona Antaramian exceeded her biennial limit for the 2008 election cycle is unsupported by the facts; the complainants appear to have erroneously double-counted several contributions. See Section II.C. However, as discussed below in Sections II.A, II.B and II.C, the complaint also includes specific allegations of prohibited and excessive in-kind contributions that appear to constitute violations of the Act – albeit on a smaller scale than the more serious allegations – by Jack Antaramian, ADCN, the DNC and the OVF.

A. Allegations of In-Kind Contributions Received by DNC in Connection with Pettit Square Property

The complaint makes two basic allegations in connection with the DNC's use of office space at a commercial building in Naples, Florida. The space is located in a building owned by Pettit Square, which, in turn, Pettit Square had leased to ADCN. First, the complaint alleges that ADCN, a for-profit Florida corporation whose president and owner is Jack Antaramian, allowed the DNC to occupy the office space free of charge for several months, resulting in a prohibited in-kind contribution from ADCN. Second, the complaint alleges that the Antaramian respondents donated furnishings and paid for other items or services in connection with the office space.

1 1. The DNC's Failure to Pay Rent

2 Pettit Square leased the office space to ADCN for a four-year period starting on July 1,
3 2009, to be used, pursuant to the terms of the lease, "for a general office and/or retail use only."
4 Ex. G of Complaint (3/22/11).¹ ADCN was to begin paying a monthly rate of \$3,639.58 to Pettit
5 Square starting on January 1, 2010, due at the beginning of each month through the end of the
6 lease on June 30, 2013. *Id.* It appears that as an inducement to ADCN to enter into a four-year
7 lease, Pettit Square was willing to waive the usual rent charge for the first six months of the lease
8 term. The lease required ADCN to secure Pettit Square's consent prior to subleasing the
9 premises. *Id.* Pettit Square claims that ADCN, through Jack Antaramian, sublet the space to the
10 DNC without Pettit Square's knowledge or permission, from July 23, 2009 through March 3,
11 2010. Pettit Square Response at 1-2 (4/15/11).

12 Although the purpose for which ADCN initially rented this office space in July of 2009 is
13 unclear, emails between DNC representatives and Jack and Mona Antaramian in May and June
14 of 2009, just prior to the start of the lease term, suggest that the DNC knew of this office space
15 and planned to use it to house staff of Organizing for America ("OFA") – which the DNC refers
16 to in its responses as "a project of the DNC." Exs. N & P of Complaint (3/22/11); DNC
17 Response at 1 (5/17/11); DNC Response at 1 (7/13/11). The DNC appears to have first occupied
18 the space on July 23, 2009 and remained in it through March 3, 2010, using it as a base of
19

¹ To alleviate confusion, given the multiple complaint and response submissions (which include two supplemental complaint filings, three submissions by the Antaramian respondents, and three submissions by the DNC), we have referenced the date each cited document was received by the Commission. Also, "Antaramian Response" refers to the joint response (and subsequent submissions) filed on behalf of Jack Antaramian, his spouse Mona Antaramian, his son David Antaramian, his sister-in-law Yasmeen Wilson, ADCN, and the Antaramian Family Trust.

1 operations for OFA activities in Florida.²

2 According to Jack Antaramian, he "understood," based on telephone conversations with
3 the DNC, "that the OFA/DNC would be subsumed under the terms of the lease either through a
4 sublease or through modification of the original lease to be made the original tenant."

5 Antaramian Response at 2 (5/06/11). But there was no sublease or modification of the lease
6 between ADCN and Pettit Square, and the DNC did not pay any rent for the duration of its
7 occupancy.

8 The Antaramian respondents assert that when OFA expressed an interest in occupying the
9 space, Jack and Mona Antaramian informed OFA that they had reached their annual contribution
10 limits to the DNC and agreed to provide the space only if it could be done without exceeding
11 those limits. Antaramian Response at 1-2 (5/06/11).³ Further, DNC representatives appear to
12 have raised concerns in emails as to whether, and from whom, the DNC would be accepting an
13 in-kind donation. See, e.g., Exs. N & P of Complaint; Ex. 2 of Antaramian Response (5/06/11).

14 Pettit Square filed a lawsuit against ADCN and the DNC in March 2010 to evict the
15 DNC, and to recover rent for the use of the space. The DNC contends that, until shortly before
16 the lawsuit was filed, there was confusion on the part of local staff as to who was "providing the
17 space, whether the use of the space could be accepted as an in-kind contribution to the DNC, and
18 whether it was necessary to pay or treat the use of the space as an in-kind contribution given that
19 no rent was due under the lease." DNC Response at 3 (5/17/11). The DNC asserts there was
20 also a miscommunication between local staff and DNC operations staff as to who would enter

² Although the DNC does not describe the activities it conducted out of the office space, we noted in MUR 6110 (Obama Victory Fund) that OFA was created "within the DNC" after the November 2008 election to "continue the grassroots organizing begun by" Obama for America, the principal campaign committee of Barack Obama. See MUR 6110 FGCR, dated August 26, 2009, at fn. 3.

³ The DNC reported receiving the maximum \$30,400 contribution from Jack Antaramian on April 30, 2009, and the same amount from Mona Antaramian on March 18, 2009. See 2 U.S.C. § 441a(a)(1)(B).

1 into the sublease and pay the rent. *Id.* The DNC claims that it was not until the lawsuit was filed
2 that it "became clear" that rent was due, and that it "immediately investigated the matter and
3 offered to pay the fair market value of the rent" *Id.* at 3-4.

4 As part of a litigation settlement, the DNC paid \$29,117 to Pettit Square by check dated
5 October 29, 2010. Ex. M of Complaint (3/22/11); Ex. 5 of Antaramian Response (5/06/11). The
6 Antaramian response asserts that the settlement paid by the DNC constituted the "usual and
7 normal" rate for the use of the office space and, thus, there was no contribution. Antaramian
8 Response at 3 (5/06/11). The DNC similarly responds that it paid fair market value for the use of
9 the space.

10 Under the Act, a "contribution" includes "anything of value made by any person for the
11 purpose of influencing any election to Federal office." 2 U.S.C. § 431(8)(A)(i). The
12 Commission's regulations provide that "anything of value" includes all in-kind contributions,
13 including the provision of goods or services without charge or at a charge less than the usual and
14 normal charge for such goods or services. 11 C.F.R. § 100.52(d)(1). Assuming the \$29,117
15 settlement was based on the fair market value of the rent,⁴ and regardless of any
16 miscommunication or confusion over the use of the office space or who may have been the
17 beneficiary of a lease inducement, it appears that the DNC knowingly accepted that amount as an
18 in-kind contribution by conducting its operations on the premises for over seven months without
19 charge.

⁴ If the DNC had been subsumed under the terms of the lease, it would have been required, after six months, to begin paying a monthly rate of \$3,640 throughout the remainder of the four-year lease period. See Ex. G of Complaint. The \$29,117 settlement amount approximated the equivalent of eight months' rent at the \$3,640 rate (\$3,640 x 8 = \$29,120).

1 A corporation is prohibited from making contributions in connection with any election of
2 any candidate for federal office. See 2 U.S.C. § 441b(a). In addition, section 441b(a) prohibits
3 any officer or director of any corporation from consenting to any contribution by the corporation.
4 The information indicates that ADCN, a corporation, made a prohibited in-kind contribution to
5 the DNC by allowing the DNC to use the space free of charge and without the landlord's
6 approval, and that Jack Antaramian consented to the contribution. Accordingly, we recommend
7 that the Commission find reason to believe that ADCN and Jack Antaramian violated 2 U.S.C.
8 § 441b(a) by respectively making and consenting to a prohibited in-kind contribution to the
9 DNC, and that the DNC and Andrew Tobias, in his official capacity as treasurer, violated
10 2 U.S.C. § 441b(a) by accepting the contribution.

11 In addition, all political committees are required to file reports of their receipts and
12 disbursements. 2 U.S.C. § 434(a). For unauthorized committees such as the DNC, these reports
13 must itemize all contributions that aggregate in excess of \$200 per calendar year. 2 U.S.C.
14 § 434(b)(3)(A), 11 C.F.R. § 104.3(a)(4). Any in-kind contribution must also be reported as an
15 expenditure on the same report. 11 C.F.R. §§ 104.3(b) and 104.13(a)(2). Because the DNC did
16 not report receiving the in-kind contribution, we also recommend that the Commission find
17 reason to believe that the DNC and Andrew Tobias, in his official capacity as treasurer, violated
18 2 U.S.C. § 434(b).

19 Further, because the information suggests that Pettit Square did not authorize the
20 arrangement by ADCN to allow the DNC to occupy the space or otherwise make an in-kind
21 contribution under the Act, we recommend that the Commission find no reason to believe that
22 Pettit Square violated the Act or Commission regulations.

1 Finally, since OFA appears to be merely a "project" of the DNC and not a separate entity,
2 we recommend that the Commission dismiss the allegations as to OFA.

3 **2. Office Furnishings and Utilities**

4 The complaint alleges that the Antaramians also made in-kind contributions of "furniture,
5 fixtures, utilities, and moving services" to the DNC in connection with the office space the
6 OFA/DNC occupied from July 23, 2009 through March 3, 2010, and attaches copies of emails
7 discussing the items and various invoices. Complaint at 3, Exs. N, O. The Antaramian
8 respondents acknowledge that inadvertent in-kind contributions may have been made by Jack
9 and Mona Antaramian, ADCN, and Brompton Road Partners, an LLC that had been leasing a
10 copy machine used by the OFA/DNC for approximately seven weeks. Attached to their response
11 is a May 6, 2011 letter from the Antaramians' counsel to the DNC requesting reimbursement for
12 the following payments made in connection with setting up and operating the office space:

- 13 • \$487.50 paid by Jack Antaramian for professional movers to move furniture and a copy
14 machine to the office (invoice dated June 8, 2009);
- 15 • \$511.06 paid by Jack Antaramian for an electrician to install new electrical outlets for the
16 OFA (invoice dated June 11, 2009);
- 17 • \$500 rental charge covered by Brompton Road Partners, LLC for the use of the copy
18 machine by OFA/DNC from July 23 to September 7, 2009;
- 19 • \$135 paid by ADCN for services performed on computer systems at the OFA office
20 (invoice dated August 18, 2009); and
- 21 • \$888.16 paid by Mona Antaramian in 2009 and 2010 for electric bills and internet/phone
22 bills associated with the office.

23 Ex. 7 of Antaramian Response (5/06/11). As to the furniture, the Antaramian response asserts
24 that it consisted of items discarded by previous tenants and was in "very poor condition," with
25 "no discernable market value" *Id.* at 3. The response notes that the property managers
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1 discarded the items after the OFA/DNC vacated the premises, "as they were considered
2 garbage." *Id.*

3 The DNC asserts that some expenses "occurred and were paid for before [it] occupied the
4 space or were paid for or provided" without its "direct knowledge." DNC Response at 4
5 (5/17/11). The DNC states, however, that it has reimbursed the above expenses pursuant to the
6 Antaramian counsel's request. *Id.* at 1.

7 Regardless of how or when the payments were made, the DNC appears to have
8 knowingly accepted each of the items by using the office space and all of its associated
9 furnishings, equipment, and utilities. Because the costs of the items identified by the
10 respondents exceeded the \$200 itemization threshold (the \$135 payment by ADCN exceeds the
11 threshold when combined with the value of office space it provided to the DNC), we recommend
12 that the Commission find reason to believe that the DNC and Andrew Tobias, in his official
13 capacity as treasurer, violated 2 U.S.C. § 434(b) by not reporting these contributions.

14 Moreover, these contributions raise additional problems under the Act. Pursuant to the
15 Act's limits for the 2010 election cycle, no person was permitted to make contributions to the
16 political committees established and maintained by a national political party in a calendar year
17 that, in the aggregate, exceed \$30,400, and no political committee was permitted knowingly to
18 accept such excessive contributions. 2 U.S.C. §§ 441a(a)(1)(B) and 441a(f). Given that Jack
19 and Mona Antaramian had each reached the 2009 contribution limit to the DNC before it started
20 occupying the premises, see footnote 3, we recommend that the Commission find reason to
21 believe that the DNC and Andrew Tobias, in his official capacity as treasurer, accepted excessive
22 contributions in violation of 2 U.S.C. § 441a(f).

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1 Mona Antaramian's payments caused her to exceed her 2009 contribution limit to the
2 DNC by only \$888.16 at most (she may have paid some bills in 2009 and some in 2010). Since,
3 in contrast to Jack Antaramian, she does not appear to have otherwise violated the Act in this
4 matter, we recommend that the Commission dismiss the allegation that Mona Antaramian
5 violated the Act with regard to such contributions. Given our other recommendations as to Jack
6 Antaramian, we recommend that the Commission find reason to believe that, after reaching his
7 annual contribution limit for 2009, Jack Antaramian made an excessive contribution to the DNC
8 in violation of 2 U.S.C. § 441a(a)(1)(B) by paying moving and electrical costs associated with
9 the property.

10 Finally, we recommend that the Commission find reason to believe that ADCN and Jack
11 Antaramian violated 2 U.S.C. § 441b(a) by respectively making and consenting to a prohibited
12 contribution to the DNC in the form of ADCN's payment for computer expenses and that the
13 DNC and Andrew Tobias, in his official capacity as treasurer, violated 2 U.S.C. § 441b(a) by
14 accepting the contribution.⁵

15 B. Allegations in Connection with October 2008 Fundraiser
16 Held at Naples Bay Resort
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18 In a supplemental filing, the complainants also allege that Jack Antaramian made an in-
19 kind contribution to the OVF in connection with an October 8, 2008 fundraising event at the
20 Naples Bay Resort. Attached to the filing are invoices and other documents indicating that he
21 may have paid a total of \$24,184.54 in event-related charges. Exs. C-J of Complaint (7/25/11).
22 The OVF is a joint fundraising committee that conducted fundraising events during the 2008

⁵ Because Brompton Road Partners, LLC was not named as a respondent, and in light of the small amount at issue (\$500), we make no recommendations as to it. Further, as an LCC, if it did not elect to be treated as a corporation for federal tax purposes, it may have been able to make contributions under the Act. See 11 C.F.R. § 110.1(g).

1 election cycle, disbursing the proceeds from such events to the DNC and to Obama for America,
2 the principal campaign committee of Barack Obama.⁶

3 The Antaramian response states that \$24,184.54 in catering costs, service charges, rental
4 equipment costs and other fundraising event expenses were charged to Jack Antaramian's
5 personal account, a fact "well known" to the DNC and the OVF. Antaramian Response at 2
6 (9/16/11). Jack "believed that his payment of these expenses would be properly handled by the
7 committees that were responsible for organizing the event," but now is aware that "this was not
8 the case." *Id.* at 2. Attached to the response is a September 9, 2011 letter from counsel,
9 addressed to the DNC, requesting reimbursement for the expenses. *Id.* The DNC states that it is
10 "issuing payment for the expenses" identified in counsel's letter. DNC Response at 2 (7/29/11).⁷

11 The OVF/DNC response does not provide any information about what OVF/DNC staff
12 knew about how event expenses were being paid; however, the committees appear to have
13 knowingly accepted an in-kind contribution from Jack Antaramian by using or consuming the
14 items without reimbursing him. *See* MUR 6447 (Steele) (candidate committee accepted in-kind
15 contributions by not reimbursing individual who paid for, *inter alia*, catering and security
16 services at fundraiser; *see* Conciliation Agreement dated Aug. 24, 2011).

17 Based on a review of the 2008 disclosure reports filed by Obama for America and the
18 DNC, at the time of the event, Antaramian had reached his \$2,300 contribution limit to the
19 former committee, *see* 2 U.S.C. § 441a(a)(1)(A), and had contributed \$22,700 to the DNC,
20 leaving him with a remaining limit of \$5,800 to the DNC. *See* 2 U.S.C. § 441a(a)(1)(B)
21 (\$28,500 limit - \$22,700 = \$5,800). After attributing \$5,800 of Antaramian's \$24,184.54 in-kind

⁶ The OVF is no longer active, reporting no receipts, disbursements or cash-on-hand since filing a termination report on November 13, 2009.

⁷ Our review of disclosure reports filed by the DNC as of this writing has revealed no such payment.

1 contribution in connection with the event to the DNC, it appears that he exceeded his 2008
2 contribution limit by \$18,384.54.⁸ Accordingly, we recommend that the Commission find reason
3 to believe that Jack Antaramian violated 2 U.S.C. § 441a(a)(1)(B) by making an excessive
4 contribution to the DNC, and that the DNC and Andrew Tobias, in his official capacity as
5 treasurer, violated 2 U.S.C. § 441a(f) by knowingly accepting the contribution.

6 Both the OVF and the DNC were required to report Antaramian's in-kind contribution.
7 See 2 U.S.C. § 434(b) and 11 C.F.R. § 102.17(c)(8) (fundraising representative shall report all
8 funds received in the reporting period in which they are received; each participating political
9 committee shall itemize its share of gross receipts as contributions from original contributors to
10 the extent required under 11 C.F.R. § 104.3(a)). Because the OVF and the DNC did not report
11 the in-kind contribution, we recommend that the Commission find reason to believe that the
12 OVF and Andrew Tobias, in his official capacity as treasurer, and the DNC and Andrew Tobias,
13 in his official capacity as treasurer, each violated 2 U.S.C. § 434(b).⁹

14 **C. Alleged Contributions In Excess of 2008 Cycle Biennial Limits**
15

16 The complainants' second supplemental filing alleges that Jack and Mona Antaramian
17 each exceeded their 2008 cycle biennial limit of \$108,200. See 2 U.S.C. § 441a(a)(3); 11 C.F.R.
18 § 110.5. Attached to the filing is a contribution chart purportedly showing that Jack Antaramian

⁸ The contribution limit at issue applies to calendar year 2008, as opposed to the 2009 contribution limit discussed in Section II.A. See footnote 3. In addition, although we do not have a copy of the joint fundraising notice for the event, the OVF has produced notices in other matters showing that contributions made at its fundraising events were allocated "first" to Obama for America and then to the DNC. See, e.g., MUR 6220 (Obama Victory Fund, *et al.*), Attachment A of OVF Response to Complaint; MUR 6110 (Obama Victory Fund, *et al.*), Attachment A of OVF Response to Complaint. Accordingly, since Jack Antaramian had already reached his contribution limit for Obama for America, we have attributed the in-kind contribution to the DNC and make no recommendations as to Obama for America.

⁹ Although the OVF also could be viewed as accepting the in-kind contribution, we have limited our recommendation to the OVF to 2 U.S.C. § 434(b), given that the OVF's primary responsibilities included collecting and inspecting direct contributions, paying expenses, allocating proceeds and expenses to each participant, keeping records, and reporting overall joint fundraising activity. See 11 C.F.R. § 102.17(b).

1 exceeded his limit by \$43,474 and Mona Antaramian exceeded her limit by \$17,987. Exs. A, B-
2 1 of Complaint (7/25/11). The Antaramian response asserts that some of the figures in the
3 complainants' contribution chart "were allocations made by . . . two joint fundraising
4 committees" to which they contributed; therefore, the reported receipt of the proceeds by the
5 participating committees should not be counted. Antaramian Response at 2 (9/16/11). Similarly,
6 the DNC response asserts that the complainants "have apparently double-counted both the
7 Antaramians' contributions to joint fundraising committees and the disbursements from those
8 joint fundraising committees to the participant committees" DNC Response at 2 (7/29/11).

9 The \$108,200 biennial limit is comprised of a \$42,700 limit to candidate committees, *see*
10 2 U.S.C. § 441a(a)(3)(A), and a \$65,500 limit "in the case of any other contributions," of which
11 not more than \$42,700 "may be attributable to contributions to political committees which are
12 not political committees of national political parties." 2 U.S.C. § 441a(a)(3)(B). Based on our
13 review of the Antaramians' reported contributions in 2007 and 2008, we have concluded that the
14 complainants double-counted contributions by adding contributions made by Jack and Mona
15 Antaramian to two joint fundraising committees (the OVF and Committee for Change) to
16 contributions reported by the candidate and party committees that ultimately received the
17 fundraising proceeds.

18 After subtracting the contributions to the joint fundraising committees, it appears that
19 Jack Antaramian made total direct contributions of \$62,400 during the 2008 election cycle,
20 comprised of \$37,400 to state party committees, \$22,700 to the DNC, and \$2,300 to Obama for
21 America. Although Jack Antaramian's contributions to candidates are under the \$42,700 limit
22 set forth at U.S.C. § 441a(a)(3)(A), his direct contributions to non-candidate committees
23 (\$37,400 + \$22,700 = \$60,100), when added to his 2008 in-kind contributions to the DNC

1 discussed above in Section II.B (\$60,100 + \$24,184.54 = \$84,284.54), exceeded his limit for
2 "other contributions" at U.S.C. § 441a(a)(3)(B) by \$18,784.54 (\$84,284.54 – \$65,500).
3 Accordingly, we recommend that the Commission find reason to believe that Jack Antaramian
4 violated 2 U.S.C. § 441a(a)(3)(B).

5 Mona Antaramian made total contributions of \$59,061 during the 2008 election cycle,
6 comprised of \$28,561 to state party committees, \$25,900 to the DNC, and \$4,600 to Obama for
7 Antaramian. Because Mona Antaramian's contributions were under each of the limits set forth at
8 2 U.S.C. § 441a(a)(3)(A) and (B), we recommend that the Commission find no reason to believe
9 that she violated 2 U.S.C. § 441a(a)(3).

10 **D. Alleged Contributions Made From Foreign or Other Sources**

11 The complainants, who are British citizens and therefore foreign nationals under the Act,
12 see 2 U.S.C. § 441e(b), allege that Jack Antaramian may have used funds from foreign or other
13 unlawful sources to make political contributions. They describe a series of wire transactions
14 occurring from September 2001 through January 2004 that resulted in a transfer of \$1 million for
15 an "investments entry fee" from their personal accounts to the Antaramian Family Trust, in order
16 to "participate with Jack in real estate development projects in Naples, Florida." Complaint at 3
17 (3/22/11). The complaint asserts that, because Jack Antaramian's assets are tied to the
18 Antaramian Family Trust, "it is likely that Jack has been utilizing the . . . Trust, along with other
19 offshore funds in which Jack may have laundered money, to make his political contributions."
20 *Id.*

21 In a supplemental filing, complainants allege that they have "recently uncovered further
22 information on the potential source of funds" used by Jack Antaramian to make contributions in
23 2009. Complaint supplement at 1 (6/16/11). The first alleged source consists of proceeds from
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1 the sale of a London residence that was purchased with funds allegedly provided to the
2 Antaramian Family Trust. Jack Antaramian allegedly transferred the funds to his U.S. bank
3 account in early March 2009, after which time he made \$30,400 in contributions to the DNC.
4 The second alleged source of funds was derived from proceeds of a "mortgage fraud possibly
5 perpetrated" by Jack Antaramian in connection with a Florida real estate project. *Id.* at 1-2.

6 The Antaramian response, which clarifies that the wire transfers were deposited into a
7 personal account owned by Jack and Mona Antaramian and an account owned by a property
8 management and design firm, asserts that money used by Jack Antaramian to make political
9 contributions was earned from many sources of income, including his real estate dealings, and
10 was within his complete control. Attached to the response is a sworn affidavit in which Jack
11 Antaramian attests that "I have never made a political contribution on behalf of a foreign
12 national, nor have I been directed to do so." Ex. 1 of Antaramian Response (5/06/11). The
13 response further asserts that 2 U.S.C. § 441e applies only where a foreign national (1) has a
14 decisionmaking role concerning contributions or (2) has control over the money being
15 contributed – neither of which occurred here. The response states that the \$1 million payment
16 was a "legitimate business payment to join in a partnership with Jack" and became part of his
17 personal assets; the complainants "have no control" over the funds. *Id.* at 6. As to the mortgage
18 fraud issue, the response states that the complaint alleges no specific violation of the Act, and
19 reiterates that the funds Antaramian used to make contributions "are his and his alone." *Id.* at 1
20 (7/07/11).

21 The DNC responds that, when it received contributions from Antaramian, "none of the
22 factors set out at 11 C.F.R. § 110.20(a)(5), which could indicate a contribution from a foreign
23

1 national, were present.”¹⁰ DNC Response at 2-3 (5/17/11). As to other sources of funds that
2 Antaramian allegedly used to make contributions, the DNC contends that the complaint does not
3 assert that the DNC violated the Act, and that the Commission does not have any jurisdiction
4 over violations of other laws or civil claims not implicating the Act. DNC Response at 1-2
5 (7/13/11).

6 Foreign nationals are prohibited from making, directly or indirectly, a contribution or
7 donation to a committee of a political party. See 2 U.S.C. § 441e(a)(1)(B). Further, no person
8 shall knowingly provide “substantial assistance” in the making of such a contribution or
9 donation, and no foreign national shall direct, dictate, control, or directly or indirectly participate
10 in the decisionmaking process of any person making such a contribution or donation. 11 C.F.R.
11 § 110.20(h) and (i).

12 It is highly speculative for the complainants to assert that investment funds they wired to
13 Jack Antaramian from 2001 to 2004 (whether received by him or by a trust controlled by him)
14 were used years later to make political contributions. More fundamentally, even if some or all of
15 the investment funds at issue remained in an account used by Jack Antaramian to make
16 contributions, there are no facts in the complaint suggesting that the funds comprising the
17 contributions were not his own or under his control. The complainants do not allege, for
18 example, that they directed Jack Antaramian to use their funds to make specific contributions
19 and that he did so, or that they were otherwise involved in Antaramian’s decisionmaking process
20 when he made his contributions. See 11 C.F.R. § 110.20(i). Similarly, the complaint does not
21 include any facts suggesting that other sources of funds were not controlled by Antaramian, such

¹⁰ Under 11 C.F.R. § 110.20(a)(5), facts relevant to the issue of whether such a contribution was “knowingly” received include whether (i) the contributor or donor uses a foreign passport or passport number for identification purposes; (ii) the contributor or donor provides a foreign address; (iii) the contributor or donor makes a contribution or donation by means of a check or other written instrument drawn on a foreign bank or by a wire transfer from a foreign bank; or (iv) the contributor or donor resides abroad.

1 as the proceeds from the sale of a London residence; further, allegations that funds were derived
2 from a mortgage fraud "possibly perpetrated" by him – even if there were such a fraud – would
3 be outside of the Act's purview.

4 The Commission has stated that "unwarranted legal conclusions from asserted facts or
5 mere speculation will not be accepted as true" and "purely speculative charges, especially when
6 accompanied by a direct refutation, do not form an adequate basis to find reason to believe that a
7 violation of the FECA has occurred." See Statement of Reasons, MUR 4960 (Hillary Rodham
8 Clinton for Senate Exploratory Committee, issued December 21, 2000) (citations omitted).

9 Here, there are no facts supporting the assertion that the funds at issue were not under
10 Jack Antaramian's control or that the complainants made specific contributions or donations
11 through him. The allegations rest on sheer speculation that has been directly refuted (including
12 in a sworn affidavit), thus providing an insufficient basis for an investigation.

13 Accordingly, we recommend that the Commission find no reason to believe that Jack
14 Antaramian or the DNC and Andrew Tobias, in his official capacity as treasurer, violated the Act
15 by making or receiving funds from foreign or other sources. We further recommend that the
16 Commission find no reason to believe that the Antaramian Family Trust violated the Act or
17 Commission regulations in this matter.

18 E. Alleged Contributions Made by Jack Antaramian
19 in the Names of Family Members
20

21 The complaint alleges that, "[i]n light of the in-kind contributions Jack made to the DNC
22 at Pettit Square, a review of the FEC Individual Contribution Lists also raises concerns that other
23 contributions made by Mona [Antaramian], David [Antaramian], and Yasmeen [Wilson] were
24 actually funded by Jack." Complaint at 4 (3/22/11). The complaint appears to suggest that,
25 based on David Antaramian and Yasmeen Wilson's family ties to Jack Antaramian and questions

1 about their income, the funds comprising their contributions to the DNC during the 2008 and
2 2010 election cycles may have come from Jack Antaramian or another source. *Id.*

3 The Antaramian response includes an affidavit sworn to by Jack Antaramian stating "I
4 have never directed [those individuals] or anyone else to make any political contributions, nor
5 have I reimbursed them for doing so." Ex. 1 of Antaramian Response (5/06/11). The response
6 states that Yasmeen Wilson receives a salary from ADCN and receives financial gifts from Jack
7 and Mona Antaramian on a regular basis, and Wilson has complete control over these funds.
8 Also, David Antaramian is a beneficiary of the Antaramian Family Trust and requests funds
9 from the Trust for his personal use on a regular basis. *Id.* at 7. A \$30,400 contribution to the
10 DNC "is not inconsistent with David's spending or financial situation." *Id.*

11 The DNC asserts that it has no knowledge that any contributions it received were made in
12 the name of another. DNC Response at 1-2 (7/13/11).

13 The Act provides that no person shall make a contribution in the name of another person
14 or knowingly permit his or her name to be used to effect such a contribution. 2 U.S.C. § 441f.
15 Any candidate or political committee who knowingly accepts or receives any contribution
16 prohibited by 2 U.S.C. § 441f also violates the Act. *Id.* The allegation that Jack Antaramian
17 made contributions in the names of family members appears to be based on mere speculation and
18 is specifically refuted in his sworn affidavit. The complainants' attempt to draw inferences
19 based on the contributors' family ties and their level of income is far too attenuated to support a
20 finding of reason to believe there is a violation of the Act. See MUR 5538 (Friends of Gabbard)
21 (Commission found no reason to believe that the respondents violated 2 U.S.C. § 441f; General
22 Counsel's Report adopted by Commission stated that allegations that persons of certain
23 occupations "must not have the means to make contributions, even relatively large ones, are

1 themselves entirely speculative; to leap from those conclusions to conclusions that those persons'
2 contributions must have been reimbursed is to pile speculation upon speculation"). *See also*
3 Statement of Reasons, MUR 4960.

4 Accordingly, we recommend that the Commission find no reason to believe that Jack
5 Antaramian, Mona Antaramian, David Antaramian, Yasmeen Wilson, or the DNC and Andrew
6 Tobias, in his official capacity as treasurer, violated 2 U.S.C. § 441f.

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MUR 6463 (Antaramian)
First General Counsel's Report

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MUR 6463 (Antaramian)
First General Counsel's Report

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IV. RECOMMENDATIONS

Recommendations in connection with Pettit Square office space

1. Find reason to believe that the Antaramian Development Corporation of Naples violated 2 U.S.C. § 441b(a) by making a prohibited contribution in the form of office space used by the Democratic National Committee in 2009 and 2010.
2. Find reason to believe that John "Jack" Joseph Antaramian violated 2 U.S.C. § 441b(a) by consenting to a prohibited contribution in the form of office space used by the Democratic National Committee in 2009 and 2010.
3. Find reason to believe that the Democratic National Committee and Andrew Tobias, in his official capacity as treasurer, violated 2 U.S.C. §§ 441b(a) and 434(b) by receiving, and by not reporting, a prohibited contribution in the form of office space used by the Democratic National Committee in 2009 and 2010.
4. Find reason to believe that John "Jack" Joseph Antaramian violated 2 U.S.C. § 441a(a)(1)(B) by making an excessive in-kind contribution in the form of payment for moving and electrical expenses associated with office space used by the Democratic National Committee.
5. Find reason to believe that the Antaramian Development Corporation of Naples violated 2 U.S.C. § 441b(a) by making a prohibited contribution in the form of payment for expenses associated with office space used by the Democratic National Committee.
6. Find reason to believe that John "Jack" Joseph Antaramian violated 2 U.S.C. § 441b(a) by consenting to a prohibited contribution in the form of payment for expenses associated with office space used by the Democratic National Committee.
7. Find reason to believe that the Democratic National Committee and Andrew Tobias, in his official capacity as treasurer, violated 2 U.S.C. §§ 441a(f), 441b(a), and 434(b) by receiving excessive and prohibited contributions in the form of payments by others for office expenses, and by not reporting the contributions.
8. Dismiss the allegation that Mona Antaramian violated the Federal Election Campaign Act with regard to in-kind contributions she may have made to the Democratic National Committee by paying for office expenses.
9. Dismiss the allegations as to Organizing for America, Florida, and close the file as to it.
10. Find no reason to believe that Pettit Square Partners, LLC, violated the Federal Election Campaign Act or Commission regulations in this matter, and close the file as to it.

Recommendations in connection with October 2008 fundraising event

11. Find reason to believe that John "Jack" Joseph Antaramian violated 2 U.S.C. § 441a(a)(1)(B) by making an excessive contribution to the Democratic National Committee in connection with an October 2008 fundraising event.
12. Find reason to believe that the Democratic National Committee and Andrew Tobias, in his official capacity as treasurer, violated 2 U.S.C. §§ 441a(f) and 434(b) by receiving, and by not reporting, an excessive contribution from John "Jack" Joseph Antaramian in connection with an October 2008 fundraising event.
13. Find reason to believe that the Obama Victory Fund and Andrew Tobias, in his official capacity as treasurer, violated 2 U.S.C. § 434(b) by not reporting a contribution from John "Jack" Joseph Antaramian in connection with an October 2008 fundraising event.

Recommendations in connection with 2007-08 biennial limits

14. Find reason to believe that John "Jack" Joseph Antaramian violated 2 U.S.C. § 441a(a)(3)(B).
15. Find no reason to believe that Mom Antaramian violated 2 U.S.C. § 441a(a)(3).

Recommendations in connection with allegations of contributions from foreign or other sources

16. Find no reason to believe that that John "Jack" Joseph Antaramian violated the Federal Election Campaign Act with regard to allegations that he used funds from foreign or other sources to make federal contributions.
17. Find no reason to believe that that the Democratic National Committee and Andrew Tobias, in his official capacity as treasurer, violated the Federal Election Campaign Act with regard to allegations that John "Jack" Joseph Antaramian used funds from foreign or other sources to make federal contributions.
18. Find no reason to believe that the Antaramian Family Trust violated the Federal Election Campaign Act or Commission regulations in this matter, and close the file as to it.

Recommendations in connection with allegations of contributions made in the name of another

19. Find no reason to believe that John "Jack" Joseph Antaramian violated 2 U.S.C. § 441f.

MUR 6463 (Antaramian)
First General Counsel's Report

1 20. Find no reason to believe that Mona Antaramian violated 2 U.S.C. § 441f, and close
2 the file as to her.

3
4 21. Find no reason to believe that David Antaramian violated 2 U.S.C. § 441f, and close
5 the file as to him.

6
7 22. Find no reason to believe that Yasmeeen Wilson violated 2 U.S.C. § 441f, and close
8 the file as to her.

9
10 23. Find no reason to believe that the Democratic National Committee and Andrew
11 Tobias, in his official capacity as treasurer, violated 2 U.S.C. § 441f.

12 Other recommendations

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14
15 24. Enter into conciliation with John "Jack" Joseph Antaramian and the Antaramian
16 Development Corporation of Naples prior to a finding of probable cause to believe,

17
18
19 25. Enter into conciliation with the Democratic National Committee and Andrew Tobias,
20 in his official capacity as treasurer, and the Obama Victory Fund and Andrew Tobias,
21 in his official capacity as treasurer, prior to a finding of probable cause to believe,

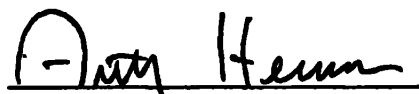
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24 26. Approve the attached Factual and Legal Analyses.

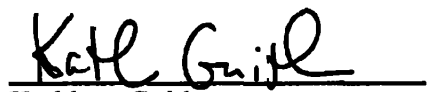
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26 27. Approve the appropriate letters.
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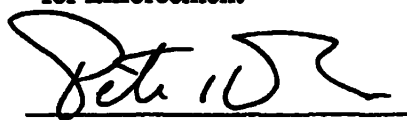
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MUR 6463 (Antaramian)
First General Counsel's Report

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